

March 7, 2006

Oconee County Council

Gentlemen,

I appreciate the opportunity to speak with you. As a minister, I have found myself involved in recent conversations concerning the public prayer at county council meetings.

As you know, in 2004 the Fourth Circuit Court of Appeals declared praying to a specific deity in governmental public business meetings to be illegal. I have heard it said that the Fourth Circuit Court did not operate within the law in this decision. However, Judges are...judges. That is, judges are paid to decide what is the law. Since the U.S. Supreme Court affirmed the decision, this clearly is the law in South Carolina.

Consequently, when we offer prayer "in Jesus' name" in a governmental situation, a long standing tradition in our area, we are breaking the law. I would like to offer a compromise solution that speaks to our dilemma.

The reasons for the proposal I am going to make are threefold.

First, the cost to us in Oconee County should we be sued. It cost Great Falls, South Carolina \$53,000 of taxpayers' money when it lost its case on this issue.

Second, and more important than the money, is the principle of living within the law. We erode our respect for government when elected officials, whether on a national or local level, operate as though they were above the law. In the latter part of my lifetime I have watched respect for the elected rot away as officials decide which laws they will obey and which they won't.

There is a third concern I think even more important. You are responsible to a constituency some of whom are Christian and some of whom are of other faiths. We dwell in a pluralistic society. Peacefully, we dwell in a country and a county of many faiths. This is no small achievement, as we can see when we look at other types of communities throughout our world.

Many Christians believe that ALL prayer, in any language and from varied religions, are welcomed by our creator. When we persist in praying "in Jesus' name", I will tell you, there are citizens you serve who are hurt.

Through a long ministry I have become interested in which passages of the Bible folks incorporate into their lives and which they choose to ignore. The Bible does indeed record Jesus as saying we should ask in his name. It also records in Matthew's Gospel in the sermon on the mount that Jesus warned against praying before others in public places. Rather, you may recall, he said we should go into our room, shut the door, and pray privately.

I offer a simple solution for being caught somewhere between a tradition and the law. I suggest you continue our tradition of praying, using any language you wish, but pray together as a council before we, the public, are allowed into these chambers and before the chairperson calls the meeting to order. In this way, God would still receive the prayer. Non-Christian citizens would cease being offended. As council members, you would be both functioning within the law and praying closer to the instructions of the New Testament.

Once again, I thank you for the privilege of speaking openly to you and ... I will pray that you will give my proposal serious consideration.

Rev. Ralph Stutzman
P.O. Box 1731
Seneca, SC 29679

Oconee County Council – March 7, 2006

MonteLago Development

Oconee County Council Members,

To some this issue is clear, the answer is obvious and common sense should prevail. However, 30 plus years with Fluor Daniel taught me that common sense isn't so common and dynamic, farsighted leadership is needed to preserve Oconee County. That leadership often takes hard work, creative thinking and courage, but future generations long remember courageous leaders.

Other than the few people who have a direct economic interest in this development, the property owner and the Greenville developer, the vast majority do not want this project. That conclusion comes from numerous discussions with Oconee County residents, property owners, upstate and Georgia residents who use the lake for recreation or vacations, even from those who don't use the lake but do value the heritage and beauty of Oconee County.

The evidence is overwhelming:

- Well established Oconee based developers have publicly opposed the project
- FOLKS, is opposed, presenting to the Council a position paper it had been working on for some months
- Petitions opposing the project, signed by over a thousand residents, were presented to Council last week
- Leaders of homeowner association representing over 6000 properties and untold numbers of residents in the area have unanimously opposed the project.
- MonteLago is in reality the same height as a 17-story building and would tower over everything else for miles and miles. In fact it would look down on the transmission towers.
- This Council voted unanimously for a moratorium thinking that action was legal and sufficient to block the project

Implementation of zoning or other measures prohibiting high rise/density developments on the shores of our lakes:

- Impacts less than 1% of the county area
- Is strongly desired by the residents most impacted
- Preserves and enhances the County's "economic engine"
- Is far less restrictive than the covenants voluntarily enacted by current lakeside property owners. These very restrictions are a key reason why many residents chose to invest what amounts to be hundreds of millions of dollars in their property
- Is essential to carry out the Mission of Oconee which states in part. . . . *to protect our heritage and environment for the future by planning for the best utilization of our resources*

I fully understand that Council must follow proscribed rules for action. BUT, also I recognize that certain required events can be scheduled with "zero float" for delay and, in emergency situations, other action is both permissible and warranted. I urge Council to be as aggressive as legally possible to prevent Oconee County from the irreversible harm caused by MonteLago, and the several other similar projects waiting in the wings.

Council should not be swayed by threats of a lawsuit or placated by token donations when the very future of our community is at stake. I and literally hundreds of other residents are eager to assist Council with funding or expertise to help bar MonteLago from proceeding.

Sincerely,

Steven MacLeod
606 Coleridge Ct
Seneca, SC 29672
888-2126



The South Carolina National Heritage Corridor™

www.sc-heritagecorridor.org

March 6, 2006

Oconee County Council
415 S. Pine Street
Walhalla, SC 29691

Dear Members of Oconee County Council:

The South Carolina National Heritage Corridor is one of a handful of federally designated National Heritage Areas in the United States. In fact, it is the second-largest of all National Heritage Areas, extending 240 miles across the state, from the mountains of Oconee County, along the Savannah River, to the port city of Charleston. Chosen as a National Heritage Area in 1996, the Corridor contains historical, cultural, and natural resources that tell the vibrant story of South Carolina's centuries-long evolution and culture.

Region One, consisting of Oconee, Anderson and Pickens Counties, is the beginning of the Corridor in many ways. Our current niches—Agriculture, African-American, and Gardens—already guide visitors through your county. And more specialty trails are to come: the Art and Military Conflict Trails will add to the draw for tourists.

We work hard to increase economic development through tourism in your community and would like to invite you to be a tourist for an afternoon. Join us for a Corridor Caravan, and we'll take you to places in your county that have blossomed and grown into tourism destinations because of our federal grants programs, our well-trained support staff, and the very generous allocations in your annual budget. I am convinced that you will be amazed by what value tourists receive when they visit Oconee County, and that you will have a lot of fun during the journey.

Please mark your calendars for Thursday, March 30, at 3:00 pm to meet us at Woodburn Plantation House for the beginning of the Corridor Caravan. A two-hour tour will take you hither and yon across Oconee County's Heritage Corridor areas. We'll provide clues to guide you to your next stop and some Corridor Cash to help you purchase things along the way. We promise to keep you entertained throughout the afternoon! The event will end with a dinner on the grounds at Woodburn, where your family and friends may join us to celebrate a Caravan Champion. Yes, this is a competition between the three counties of Region One, and you will be competing against Anderson and Pickens Counties for the Grand Prize trophy and the Ultimate Prize of a two-page story in Sandlapper Magazine!

Worth competing for? We think so, and hope you will too. Please let me know if you have any questions regarding the Caravan, or the Corridor in general. We look forward to seeing you on March 30!

Sincerely,


Paula Reel
Region One Coordinator

HOWELL LINKOUS & NETTLES, LLC

Bond Attorneys & Counselors at Law

William W. Howell, IV
Partner's Office No. 843.266.3800
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Clientele includes Municipal Bonds,
Local Government Law, Economic
Development Incentives,
Affordable Housing Development.

28 February 2006

Dr Valens Truesdale
Superintendent
School District of Oconee County,
South Carolina
414 South Pine Street
Walhalla, South Carolina 29691

Re: Duke Power Company Tax Payments

Dear Dr Truesdale:

You have advised us that a dispute has arisen with regard to the lawful disposition of certain tax collections on behalf of the School District. For the School District's fiscal years 2004, 2005, and 2006, tax notices sent to Duke Power Company (in the years 2003, 2004, and 2005, respectively) by the County Auditor's office contained serious errors which have only recently been discovered. For each of these years, the assessed value of Duke's taxable property was correctly determined by the appropriate personnel at the State Department of Revenue. Clerical errors, however, were made in the County Auditor's office in calculating the actual tax owed by Duke in each of these years based on those assessed values. In all cases, Duke was underbilled for property taxes in each year. When the errors were discovered, correct tax bills were sent to Duke. The corrected tax bills for 2003 and 2004 were paid by Duke on January 17, 2006; the 2005 tax bill was to be paid by January 31; this money is now on deposit with the County Treasurer, including approximately 58,440,000 attributable to the School District's portion of these corrected tax bills.

You have asked this firm's opinion as to the legal disposition of these funds.

In all years in question, the Board of Trustees adopted an operating budget as authorized under Section 7014 of Act No. 813 of 1992. In accord with Act No. 805 of 1978, the School District submitted its annual budget to the Oconee County Council for the setting of local property tax levies to fund a portion of the budget. In each year, the County Council approved a tax levy for a portion of the School District's operating budget and directed the County Auditor

to recommend a millage rate sufficient to raise the necessary revenues for the budget. At the time that tax rates for the School District were set by the Oconee County Council, the School District's tax base as reported by the County Auditor in compliance with S.C. Code Section 12-39-150 correctly included the assessed values of all of Duke's taxable property. Consequently, the School Budget and the tax millage rate to fund the Budget were correctly established in accordance with law for each of the years in question. This same correct millage rate was used for each of the corrected tax bills recently paid by Duke.

After approval of the budget and tax rate, the County Auditor has the duty to calculate individual property taxes in accordance with S.C. Code Section 12-39-180. It appears that this is the stage at which the errors in Duke's tax bills were made. As the result of Duke being underbilled in each of these years, the School District apportionment of taxes collected fell short by approximately \$1,569,000 in 2004, \$861,000 in 2005, and \$1,800,000 (projected) in 2006. The School District has had to defer many budgeted expenditures over the last three years to avoid budget deficits.

Subsequently, the County Auditor uncovered its billing errors and sent revised tax bills, which have now all been paid by Duke. The funds collected from Duke and now held by the County Treasurer are directly attributable to property taxes levied for school purposes under an approved budget at approved millage rates. The only legal use of these funds and their only lawful disposition is that they be placed to the credit of the School District's account and applied by the School District to properly budgeted school expenditures. Any other disposition of these moneys is unlawful and void.

The South Carolina Constitution, at Article X, Section 5, provides that "Every tax which shall be levied shall distinctly state the public purpose to which the proceeds of the tax shall be applied." The South Carolina courts and the Attorney General have consistently interpreted this provision (and its predecessor provision) as prohibiting the diversion of taxes collected for specific purposes to fund other unrelated purposes. For example, the State Supreme Court has held that the Legislature is without power to impose a tax for a particular purpose and, before that purpose has been accomplished, change its mind and direct the revenues derived from the particular tax to an entirely different purpose. State v. Osborne, 193 S.C. 158, 7 S.E.2d 526 (1940). Article X, Section 5 of the State Constitution applies to tax levies, although it does not apply to appropriations of revenues by the General Assembly. Myers et al. v. Paterson et al., 315 S.C. 248, 433 S.E.2d 841 (S.C. 1993). Because it applies to tax levies, it clearly applies to Oconee County Council's approval of tax levies for the School District's operating budget.

The South Carolina Attorney General has issued several opinions regarding the power of county council to divert school funds for other purposes. The Attorney General has "concluded that taxes levied and collected by a school district on property located within that district cannot be diverted or transferred to another school district." Op. S.C. Atty. Gen., No. 69-18 (February 27, 1989). Nor could Dorchester County Council direct the county treasurer to hold in escrow the amount of tax collections that exceed the amount appropriated in the school district's budget. Op. S.C. Atty. Gen., 1983 S.C. AG LEXIS 394 (March 16, 1983). Taxes levied for payment of

Deposit of school funds

SECTION 12. All school funds of the county must be deposited in the hands of the treasurer of Oconee County in the credit of the district, and withdrawn only upon warrants issued by the board of trustees."

There is no ambiguity in the statutes as to which public body controls the expenditure of the tax revenues collected from Duke. The School Board has the sole "powers and duties [to] adopt budgets." Act 613 of 1992, Section 7(14). It is equally clear that the Oconee County Council is without authority to divert those funds to some other use. The County Council's role in this process is merely to approve the tax levy; this it has already done. There is no further action to be taken by County Council regarding these tax collections. As recognized by the Attorney General, the County and the School District "are separate and distinct governmental, corporate entities and are separately subject to constitutional and statutory provisions applicable to each." Op. S.C. Atty. Gen. 2003 S.C. AG LEXIS 57 (June 3, 2003).

As the State Supreme Court noted in Moyle v. Coughman, 265 SC 140, 217 SE2d 36 (1975),

"Creation of different provisions for school districts does not impinge upon the 'Home Rule' amendment because public education is not the duty of counties, but of the General Assembly. The General Assembly has not been mandated by any constitutional amendment to enact legislation to confer upon the counties the power to control the public school system."

Accordingly, the Attorney General has concluded that counties have no such power to control the public school system. County councils possess no power to divert revenues that were collected for school purposes for any other purpose.

Not may the Oconee County Council attempt to withhold these funds from the School District and "apply" them toward next year's budget. These funds were properly approved in the County Council's budget ordinances for use in the School District's operating budgets for fiscal years 2004, 2005, and 2006. They are not "surplus" funds. The erroneous tax bills to Duke resulted in deferral of expenditures and elimination of programs to avoid overspending the operating budget. With the receipt of these funds, the School Board will be able to amend their current budget to either reinstate these previously approved intended expenditures or address other needs according to their determined purposes, none of which requires further action of County Council.

The State Constitution, Courts, Statutes, and Attorney General are all in accord that school funds must be used for school purposes. It is also clear that pending such use, the moneys are to be invested for the benefit of the School District. With respect to school funds specifically, the Attorney General has previously opined that "District funds on deposit with the

Dr Valerie Truesdale
28 February 2006
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County Treasurer remain funds of the School District along with any interest accruing to said School District funds." Op. S.C. Atty. Gen. No. 78-163 (September 30, 1978).

The County Council's role in the budget and tax collection process ended months ago. Now that the County Treasurer has finally collected the correct amount of school taxes owed by Duke Power, it is incumbent on that officer to obey the Legislature and place those funds "to the credit of the school district of Oconee County", including interest earnings thereon since their date of payment by Duke.

Very truly yours,

HOWELL LINKOUS & NETTLES, LLC

By: 
Samuel W. Howell, IV

SWH,IV/sls



February 21, 2006

Oconee County Council
Pine Street
Walhalla, SC 29691

Dear Members of County Council and Mr. Rabun,

Thank you, Ron, for requesting that I write this letter requesting that County Council authorize Ms. Anne Dodd to disburse the back taxes paid by Duke Power to the School District of Oconee County.

As you know, Duke Power's taxes for 2002, 2004, and 2005 were incorrectly billed because of a change in the way the manufacturing exemption certification from the Department of Revenue was presented to the County. Duke Power has been an excellent community partner by remitting the back taxes owed to Oconee County promptly. The check was postmarked January 16, 2006.

The amount of Duke Power taxes owed to the school district for school operations over the three years is \$8,439,889.35. To date, we have received none of the back taxes from Duke.

We are confident that, without intervention from County Council, the treasurer Ms. Dodd would have already apportioned the back taxes to the school district. Our legal counsel has advised us that the School Board has authority over these funds. The Council's position, according to Mr. Rabun, is that the District is not entitled to receive Duke's back taxes unless we go through a process of amending the budget, which would require three readings and approval by Council. We respectfully disagree, however, if Council requires us to go through this process, we are requesting that **Council expedite consideration of this request.**

As you consider this request, Council should note the following points:

For FY 2003, County Council approved an ordinance of \$44,519,100. We only received \$43,890,858, which is a shortage of \$628,242.

For FY 2004, County Council approved an ordinance of \$47,019,100. We only received \$45,449,970, which is a shortage of \$1,569,130.

Education is Everybody's Business.

For FY 2005, County Council approved an ordinance of \$47,019,100. We only received \$46,158,471, which is a shortage of \$860,629.

The total amount approved by County Council and not received for those three years is \$3,052,001. You can see why we believe these funds should be returned to the school system immediately.

Since Mr. Rabun has informed us that to access our back taxes from Duke Power, we must provide an amended budget, please be advised of our intent to do so in your next meeting. It is our fervent request that you schedule a meeting as soon as possible to consider the request. At an interest rate of 4.31% each day that the County keeps these funds, the School District loses almost \$1,000 in interest. Since January when the check was received by the County, interest earned on the School District's portion exceeds \$30,000. We believe that interest earned on the school funds belongs to the School District. Those funds would have paid for a major part of a teacher's salary. As Council remembers, we had to cut six teaching positions this year due to budget cuts.

Items at risk if we do not receive the back taxes from Duke include:

- a) The wing at Ravenel Elementary School
- b) The wing at Walhalla Elementary School
- c) Critical roofing needs of over \$2,375,000
- d) The fund balance which was reduced by \$1.7 million by the School Board on an emergency basis for the roof at Walhalla High School last summer

Please advise what date you will meet to consider this request. Again, we ask for expedited consideration.

Sincerely,


Valerie Truesdale, Ph. D.

C: Members of the Board of Trustees, School District of Oconee County
Dr. Michael Truesland
Ms. Anita Duke

**AGENDA ITEM SUMMARY
OCONEE COUNTY, SC**

**COUNCIL MEETING DATE: March 7, 2006
COUNCIL MEETING TIME: 3:00 p.m.**

ITEM TITLE OR DESCRIPTION:

- Presentation by Paula Reel, Region One Coordinator of the South Carolina National Heritage Corridor, of a \$30,000 grant to replace the back veranda/porch on the historic Alexander/Cannon/Hill House at High Falls County Park.

- Recognition of outgoing South Carolina National Heritage Corridor Region One (Mountain Lakes) board member, Councilman Steve Moore and welcoming of new board member, Councilman Tommy Crompton.

BACKGROUND OR HISTORY:

Oconee County Parks, Recreation & Tourism received a South Carolina National Heritage Corridor grant and a South Carolina Upper Piedmont Heritage Association grant in the amount of \$20,000 and \$10,000, respectively. These funds will be used to replace the back veranda/porch on the Alexander/Cannon/Hill House at High Falls County Park. Replacement of the back veranda/porch will serve to increase the historical, cultural and recreational value of the House. It currently serves as a visitor's center, historical information center, camping and general information center, and office space for park staff. Mr. Moore was instrumental in reviving this grant request as it had almost lapsed between County recreation administrations.

SPECIAL CONSIDERATIONS OR CONCERNS:

The back veranda/porch project on the Alexander/Cannon/Hill House will be completed by Fall 2006 with the following funding.

South Carolina National Heritage Corridor	\$20,000
South Carolina Upper Piedmont Heritage Association	\$10,000
Local Match	\$10,000

STAFF RECOMMENDATION:

Acceptance of grant award.

FINANCIAL IMPACT:

\$10,000 local match budgeted (010-202-99998-00000)

ATTACHMENTS:

NONE

Submitted or Prepared By:

Yvonda Helton-Loria

Yvonda Helton-Loria, Grants Administrator

Reviewed By/ Initials:

County Attorney

PH Finance

Other

SL OMB

Approved for Submittal to Council:

Ron H. Rabun

Ron H. Rabun, County Administrator

C: Clerk to Council

**AGENDA ITEM SUMMARY
OCONEE COUNTY, SC**

**COUNCIL WORKSHOP MEETING DATE: March 7, 2006
COUNCIL WORKSHOP MEETING TIME: 3:00 PM**

ITEM TITLE OR DESCRIPTION:

Second Reading of, "THE 2005-2006 AMENDED APPROPRIATIONS ORDINANCE 2006-03 FOR OCONEE COUNTY".

BACKGROUND OR HISTORY:

Section 4-9-130 of the South Carolina Code of Laws requires that the county budget ordinance be approved like any other ordinance, which includes three (3) public readings and a public hearing which we typically conduct at the 2nd reading of the ordinance. This section specifically refers to annual operating and capital budgets.

Section 4-9-140 of the South Carolina Code of Laws also contains the following budget requirements:

- Supplemental or Amended appropriations must be approved in the same manner as the initial budget. These include appropriations (revenues or expenditures) received and approved following adoption of the initial budget from unanticipated revenue sources.

ADDITIONAL REVENUE; DUKE ENERGY TAXES RECEIVED:

During the month of December 2005, it was discovered through a telephone inquiry from Duke Energy to the county Auditor's office that Duke had been billed less than normal from the county the past three (3) years. An internal review was conducted and it was determined that the manufacturing exemption assessment for Duke Energy was not calculated correctly by the County Auditor's office. As a result, additional taxes were due from Duke Energy. In accordance with South Carolina Code of Laws 12-39-210 and 12-39-220, the County Auditor charged the omitted property assessment to Duke Energy as this was an error on the part of the county (South Code of Laws 12-54-85). As a result, on January 16, 2006, the county received an additional and unanticipated revenue windfall of \$14,520,056.50 which must be appropriated before it can be distributed or expended. The distribution of these additional tax revenues from Duke are shown below:

BUDGET AMENDMENT FOR 3 YEARS ADDITIONAL INCREMENT OF TAXES PAID BY DUKE ENERGY (RECEIVED ON 1/16/06)

Fiscal Year	County		TCTC		School		Total
	Operations	County Debt	Operations	TCTC Debt	Operations	School Debt	
2003	\$718,000.55	\$28,582.85	\$25,152.89	\$5,716.57	\$1,440,574.38	\$125,764.43	\$2,343,791.65
2004	\$1,336,108.20	\$81,666.44	\$43,166.51	\$10,277.74	\$2,476,935.34	\$285,721.17	\$4,213,873.40
2005	\$2,536,495.89	\$147,043.24	\$77,197.70	\$18,380.41	\$4,521,579.63	\$651,694.58	\$7,982,391.45
Total	\$4,590,602.64	\$237,292.51	\$145,517.10	\$34,374.72	\$8,439,089.35	\$1,073,180.18	\$14,520,056.50

*Included in county operations is 1 Mill. for Economic Development (see Exhibit A \$68,749).
Grand total for all additional Duke utility revenue is \$14,520,056.50.

BUDGET AMENDMENT FOR LESS REVENUE; VEHICLE ROAD MAINTENANCE FEE RESCINDED:

Included in the adopted 2005-2006 Budget Ordinance was the imposition of a \$1.5 vehicle road fee which whose collection was rescinded by Council on September 20, 2005. This action removed \$490,000 in anticipated revenue from the budget necessitating this amendment.

BUDGET AMENDMENT FOR ADDITIONAL POSTAGE EXPENSE:

\$25,000 in postage was inadvertently deleted from the Pine Street postage account and should be added back.

SPECIAL CONSIDERATIONS OR CONCERNS:

In order to continue to honor the February 21, 2006 written request of Dr. Valerie Truesdale, School Superintendent to expedite the budget amendment process to appropriate the recently received additional Duke Power proceeds, we ask that the Council approve the following schedule of dates needed to complete the process:

1 st Reading, Title Only	February 21, 2006 (Council has approved)
2 nd Reading	March 7, 2006 3 PM (Action Item during Council Work Session)
Advertised Public Hearing	March 21, 2006 7 PM
3 rd & Final Reading	April 4, 2006 3 PM (Action Item during Council Work Session)

STAFF RECOMMENDATION:

Staff recommends that this ordinance be approved on second reading at the March 7th meeting, and that we follow the adoption schedule shown above.

FINANCIAL IMPACT:

The modifications set forth on Exhibit A to Ordinance 2006-03 (attachment 2) are recited below. In the aggregate, the adopted fiscal year 2005-2006 County Council budget currently stands at:

County Operations	\$ 34,947,848.00
School Operations	\$ 48,605,948.00
TCTC Operations	\$ 825,444.00
Vehicle Road Maintenance Fee	(\$ -490,000.00)
Assessment Postage	\$ 25,000.00

If the recommended budget amendments are adopted, the new County Council amended FY 2005-2006 budget totals will be:

County Operations	\$ 39,469,701.00
School Operations	\$ 57,045,037.00
TCTC Operations	\$ 968,961.00

ATTACHMENTS:

1. Ordinance 2006-03 to amend the FY 2005-06 budgets for the Onconee County School District and County Council.
2. Exhibit A
3. Dr. Truesdale Letter dated February 21, 2006.

Submitted or Prepared by:

Phyllis E. Lombard

Phyllis E. Lombard,
Director of Administrative Services &
Finance

Approved for Submittal to Council:

Ron H. Rabun

Ron H. Rabun,
County Administrator

Reviewed by/Initials:

N/A

County Attorney

Finance

N/A

Other

C: Clerk to Council

**OCONEE COUNTY COUNCIL,
ORDINANCE 2006-03**

BE IT ORDAINED, by Oconee County Council in Council duly assembled, upon Second reading:

SECTION I:

This Ordinance shall be known as "THE 2005-2006 SUPPLEMENTAL APPROPRIATIONS ORDINANCE 2006-03 FOR OCONEE COUNTY".

SECTION II:

The purpose of this Ordinance is to amend and modify the 2005-2006 APPROPRIATIONS ORDINANCE FOR OCONEE COUNTY, Ordinance 2006-03 and to make appropriations, both supplemental and primary, from current revenue for the remaining portion of fiscal year 2005-2006 and to transfer funds from department accounts to other authorized uses as stated herein and to implement, approve and ratify the policies and other programs authorized by the Oconee County Council; and other matters relating thereto.

SECTION III:

The modifications set forth on Exhibit A attached hereto are approved. In the aggregate, the adopted fiscal year 2005-2006 budget stands as:

County Operations	\$ 34,967,848.00
School Operations	\$ 48,605,948.00
FCTC Operations	\$ 823,444.00
Vehicle Road Maintenance Fee	\$ 490,000.00

If these changes are adopted as recommended, the new amended budget will be:

County Operations	\$ 39,469,701.00
School Operations	\$ 57,045,037.00
FCTC Operations	\$ 968,961.00
Vehicle Road Maintenance Fee	\$ 0.00

SECTION IV:

Unless specifically modified, amended or deleted herein, all appropriations of funds created by the "APPROPRIATIONS ORDINANCE FOR OCONEE COUNTY" (Ordinance 2005-10 & Ordinance 2005-11) are hereby ratified and shall remain in full force and effect as originally adopted. All other sections of Ordinance 2005-10 and Ordinance 2005-11 not modified, directly or by implication shall likewise remain in full force and effect.

APPROVED 1ST TITLE IN READING ONLY ON 21ST DAY OF FEBRUARY 2006.

APPROVED ON SECOND READING THIS 7TH DAY OF MARCH 2006.

H. Frank Ables, Jr.
Chairman
Oconee County Council

Attest:

Exhibit A Oconee County Amended Budget Ordinance 2006-03

Page 1

Code	Description	Ordinance 2005-10	Ordinance 2006-03	Amended Budget
County Revenues				
010-080-00870-76003	County Operations	\$ 23,791,000	\$ 4,521,853	\$ 28,312,853
010-080-00875-76003	Economic Development County Debt	\$ 355,000	\$ 68,749	\$ 423,749
090-080-00874-76003	GO Bond 2002	\$ 641,220	\$ 105,510	\$ 746,730
090-080-00873-76003	Courthouse 2001	\$ 69,924	\$ 99,794	\$ 169,718
090-080-00872-76003	Lila Doye 2000	\$ -	\$ 31,989	\$ 31,989
	Total County Revenues	\$ 4,827,895	\$ 4,827,895	
County Expenditures				
010-080-00895-08999	Fund Balance	\$ 23,791,000	\$ 4,493,853	\$ 28,284,853
010-707-60707-00000	Economic Development County Debt	\$ 355,000	\$ 68,749	\$ 423,749
010-717-40033-00000	Postage	\$ 150,000	\$ 25,000	\$ 175,000
090-874-55100-00000	GO Bond 2002	\$ 641,220	\$ 105,510	\$ 746,730
090-873-55100-00000	Courthouse 2001	\$ 69,924	\$ 99,794	\$ 169,718
090-872-55100-00000	Lila Doye 2000	\$ -	\$ 31,989	\$ 31,989
	Total County Expenditures	\$ 4,827,895	\$ 4,827,895	
Total Fiduciary Funds				
School District Revenue				
014-080-00880-76003	School District Operations School Debt	\$ 46,605,948	\$ 8,439,088	\$ 55,045,037
014-080-00881-76003	94 School Debt	\$ -	\$ 51,449	\$ 51,449
014-080-00882-76003	95 School Debt	\$ -	\$ 84,803	\$ 84,803
014-080-00883-76003	98 School Debt	\$ 460,138	\$ 57,721	\$ 517,859
014-080-00884-76003	01 School Debt	\$ 1,339,400	\$ 227,900	\$ 1,567,300
014-080-00895-76003	03 School Debt	\$ 1,902,488	\$ 271,997	\$ 2,174,485
014-080-00896-76003	04 School Debt	\$ 1,284,088	\$ 159,749	\$ 1,443,837
014-080-00898-76003	05 School Debt	\$ 2,354,170	\$ 220,565	\$ 2,574,735
	Total School District Revenue	\$ 9,512,270	\$ 9,512,270	

Exhibit A Oconee County Amended Budget Ordinance 2006-03

Page 2

Code	Description	Ordinance 2005-11	Ordinance 2006-03	Amended Budget
School District Expenditure				
014-802-50099-00000	School District Operations	\$ 48,805,948	\$ 8,438,089	\$ 57,049,037
School Debt:				
014-881-55100-00000	94 School Debt	*	\$ 51,449	\$ 51,449
014-885-55100-00000	95 School Debt	*	\$ 84,803	\$ 84,803
014-883-55100-00000	98 School Debt		\$ 67,721	\$ 517,859
014-884-55100-00000	01 School Debt	490,138	227,900	1,567,300
014-885-55100-00000	03 School Debt	1,336,400	271,997	2,174,485
014-888-55100-00000	04 School Debt	1,902,468	158,746	1,442,834
014-888-55100-00000	05 School Debt	1,284,088	220,565	2,574,738
	Total School District Expenditure	\$ 2,354,170	\$ 9,512,270	\$

Tri County Technical College Revenue				
014-080-00879-76003	TCTC Operations	\$ 823,444	\$ 345,517	\$ 968,961
014-080-00877-76003	TCTC Debt	\$ 278,210	\$ 34,375	\$ 312,585
	Total Tri County Technical College Revenue	\$	\$ 179,892	\$

Tri County Technical College Expenditure				
014-804-80200-00000	TCTC Operations	\$ 823,444	\$ 145,517	\$ 968,961
014-877-55100-00000	TCTC Debt	\$ 278,210	\$ 34,375	\$ 312,585
	Total Tri County Technical College Expenditure	\$	\$ 179,892	\$

Code	Description	Ordinance 2005-10	Ordinance 2006-03	Amended Budget
Special Revenue Fund:				
Revenue	Vehicle Road Maintenance Fee	\$ 490,000	\$ 490,000	\$ 0
Expenditure	Vehicle Road Maintenance Fee	\$ 490,000	\$ 490,000	\$ 0
	<i>(No general ledger posting required for the special revenue fund)</i>			
	Total Amendments	\$	\$ 14,520,057	\$

* Extra dollars will be applied to other bonds, not Lisa Doyle or 1994 and 1995 School Bond Debt, as these have been paid in full or defeased.



February 21, 2006

Oconee County Council
Pine Street
Walhalla, SC 29691

Dear Members of County Council and Mr. Rabun,

Thank you, Ron, for requesting that I write this letter requesting that County Council authorize Ms. Anne Dodd to disburse the back taxes paid by Duke Power to the School District of Oconee County.

As you know, Duke Power's taxes for 2003, 2004, and 2005 were incorrectly billed because of a change in the way the manufacturing exemption certification from the Department of Revenue was presented to the County. Duke Power has been an excellent community partner by remitting the back taxes owed to Oconee County promptly. The check was postmarked January 16, 2006.

The amount of Duke Power taxes owed to the school district for school operations over the three years is \$8,439,089.35. To date, we have received none of the back taxes from Duke.

We are confident that, without intervention from County Council, the treasurer Ms. Dodd would have already apportioned the back taxes to the school district. Our legal counsel has advised us that the School Board has authority over these funds. The Council's position, according to Mr. Rabun, is that the District is not entitled to receive Duke's back taxes unless we go through a process of amending the budget, which would require three readings and approval by Council. We respectfully disagree; however, if Council requires us to go through this process, we are requesting that **Council expedite consideration of this request.**

As you consider this request, Council should note the following points:

For FY 2003, County Council approved an ordinance of \$44,519,100. We only received \$43,896,858, which is a shortage of \$622,242.

For FY 2004, County Council approved an ordinance of \$47,019,100. We only received \$45,449,970, which is a shortage of \$1,569,130.

Education is Everybody's Business.

For FY 2005, County Council approved an ordinance of \$47,019,100. We only received \$46,158,471, which is a shortage of \$860,629.

The total amount approved by County Council and not received for those three years is \$3,052,001. You can see why we believe these funds should be remitted to the school system immediately.

Since Mr. Rabun has informed us that to access our back taxes from Duke Power, we must provide an amended budget, please be advised of our intent to do so at your next meeting. It is our fervent request that you schedule a meeting as soon as possible to consider the request. At an interest rate of 4.31%, each day that the County keeps these funds, the School District loses almost \$1,000 in interest. Since January when the check was received by the County, interest earned on the School District's portion exceeds \$30,000. We believe that interest earned on the school funds belongs to the School District. Those funds would have paid for a major part of a teacher's salary. As Council remembers, we had to cut six teaching positions this year due to budget cuts.

Items at risk if we do not receive the back taxes from Duke include:

- a) The wing at Ravenel Elementary School
- b) The wing at Walhalla Elementary School
- c) Critical roofing needs of over \$2,375,000
- d) The fund balance which was reduced by \$1.7 million by the School Board on an emergency basis for the roof at Walhalla High School last summer.

Please advise what date you will meet to consider this request. Again, we ask for expedited consideration.

Sincerely,



Valerie Trunsdale, Ph. D.

C: Members of the Board of Trustees, School District of Oconee County
Dr. Michael Thorstland
Ms. Anita Duke

**AGENDA ITEM SUMMARY
OCONEE COUNTY, SC**

**COUNCIL WORKSHOP DATE: 3/7/2006
COUNCIL WORKSHOP TIME: 3:00 PM**

ITEM TITLE OR DESCRIPTION:

Second Reading of Ordinance 2006-04, "AMENDMENT TO LOAN AGREEMENT RELATING TO \$35,000,000 OCONEE COUNTY, SOUTH CAROLINA POLLUTION CONTROL REVENUE REFUNDING BONDS (DUKE ENERGY CORPORATION, SERIES 1999A AND SERIES 1999B) (THE "BONDS") TO PROVIDE FOR GUARANTEE THEREOF," And Second Reading of Ordinance 2006-05, "AMENDMENT TO LOAN AGREEMENT RELATING TO \$77,000,000 OCONEE COUNTY, SOUTH CAROLINA POLLUTION CONTROL FACILITIES REVENUE REFUNDING BONDS, SERIES 1993 (DUKE POWER COMPANY PROJECT) (THE "BONDS") TO PROVIDE FOR GUARANTEE THEREOF."

BACKGROUND OR HISTORY:

Recently, Duke Energy Corporation has entered into an Agreement and Plan of Merger, dated May 8, 2005, and its subsequent amendments, which would allow for the merging of Duke Energy Corporation and Cinergy Corporation as subsidiaries under Duke Energy Holding Corporation. With this agreement, Duke Energy wants to amend the corresponding indentures for each of the issues to add the guarantee, or backing, by the larger holding company, Duke Energy Holding Corporation, and to clarify that merger transactions do not violate the "maintenance of existence" provisions. They believe that these amendments would not jeopardize the interests of the bondholders, but rather substantially benefit the bondholders with the support of a significantly larger corporation.

In 1993, revenue-refunding bonds in the amount of \$77,000,000 were issued by Oconee County for Pollution Control Facilities for a Duke Power Company project. The "Loan Agreement between Oconee County, South Carolina and Duke Power Company" dated April 1, 1993 and its amendments, outlined the responsibilities of Duke Power Company. In addition, Oconee County issued bonds totaling \$35,000,000 for the same purpose with the same type of bond transcripts in October 1999. In the agreement, specific provisions are made that would allow Duke Power Company to merge, as long as the successor corporation would assume all obligations of the Duke Power Company. Furthermore, Duke Power Company must provide Oconee County with a true and complete copy of the assignment, together with any instrument of assumption.

SPECIAL CONSIDERATIONS OR CONCERNS:

Final adoption, at 3rd reading, must be completed not later than March 22, 2006.

STAFF RECOMMENDATION:

- 1) Staff recommends adoption of this ordinance #2006-04 of second reading and third and final reading scheduled for March 21, 2006.
- 2) Staff recommends adoption of this ordinance #2006-05 of second reading and third and final reading scheduled for March 21, 2006.

FINANCIAL IMPACT:

These actions will in no way affect the County's debt limit or bonding capacity nor will the County be responsible for the payment of the debt.
The approval of the amendments to the Loan Agreement will maintain and grow jobs and revenue for Oconee County.

ATTACHMENTS:

Proposed Ordinances:

Submitted or Prepared By:


Department Head/Elected Official

Approved for Submittal to Council:


Ron H. Rabun, County Administrator

Reviewed By/ Initials:

_____ County Attorney

_____ Finance

 OMB

N/A Other

C: Clerk to Council

OCONEE COUNTY
ORDINANCE 2006-04

AMENDMENT TO LOAN AGREEMENT RELATING TO \$35,000,000
OCONEE COUNTY, SOUTH CAROLINA POLLUTION CONTROL
REVENUE REFUNDING BONDS (DUKE ENERGY CORPORATION,
SERIES 1999A AND SERIES 1999B) (THE "BONDS") TO PROVIDE FOR
GUARANTEE THEREOF.

WHEREAS, Oconee County, South Carolina (the "County"), acting by and through its
County Council (the "County Council"), under and pursuant to the provisions of Title 48,
Chapter 3 of the Code of Laws of South Carolina 1976, as amended (the "Act"), has previously
issued its \$35,000,000 Pollution Control Revenue Refunding Bonds, Series 1999A and Series
1999B (Duke Energy Corporation Project) (the "Bonds"); and

WHEREAS, Duke Energy Corporation (the "Corporation") has requested that the County
amend the Loan Agreement dated as of October 1, 1999 relating to the Bonds to, among other
things, add a guarantee from Duke Energy Holding Corp. (the "Parent"); and

WHEREAS, the County Council has caused to be prepared and presented to this meeting
the following document which the County proposes to execute and deliver: Amendment to Loan
Agreement among the County, the Parent and the Corporation (the "Amendment");

WHEREAS, it appears that the instrument above referred to, which is now before this
meeting, is in appropriate form and is an appropriate instrument to be executed and delivered by
the County for the purposes intended.

NOW, THEREFORE, BE IT ORDAINED by Oconee County, South Carolina, as
follows:

Section 1. In order to further the purposes of the Act by assisting the Corporation in
the purposes contemplated by the Amendment, the Amendment is approved.

Section 2. Nothing in this Ordinance or the Amendment shall be construed to change
the fact that the Bonds are limited obligations of the County, the principal and interest on which
are payable solely out of the revenues derived from the Loan Agreement. The Bonds and the
interest thereon shall never constitute an indebtedness of the County within the meaning of any
state constitutional provision or statutory limitation and shall never constitute or give rise to a
pecuniary liability of the County or a charge against its general credit or taxing powers.

Nothing in this Ordinance or the Amendment shall be construed as an obligation or
commitment by the County to expend any of its funds other than (i) the proceeds of the Bonds,
(ii) the revenues derived from the Loan Agreement, and (iii) any moneys arising out of the
investment or reinvestment of said proceeds, revenues or moneys.

Section 3. The form, terms and provisions of the Amendment presented to this
meeting and filed with the Clerk of the County Council be and they are hereby approved and all

of the terms, provisions and conditions thereof are hereby incorporated herein by reference as if the Amendment were set out in this ordinance in its entirety. The Chairman and the Clerk of the County Council be and they are hereby authorized, empowered and directed to execute, acknowledge and deliver the Amendment in the name and on behalf of the County, and thereupon to cause the Amendment to be delivered to the Corporation. The Amendment is to be in substantially the form now before this meeting and hereby approved, or with such minor changes therein as shall be approved by the officials of the County executing the same, their execution thereof to constitute conclusive evidence of their approval of any and all changes or revisions therein from the form of the Amendment now before this meeting.

Section 4. The Chairman and the Clerk of the County Council, for and on behalf of the County, are hereby each authorized and directed to do any and all things necessary to effect the execution and delivery of the Amendment and the performance of all obligations of the County thereunder.

The Chairman and the Clerk of the County Council are each further authorized to execute and deliver such other documents and certificates necessary to effectuate the Amendment as contemplated in this ordinance.

Section 5. The provisions of this ordinance are hereby declared to be separable and if any section, phrase or provision shall for any reason be declared by a court of competent jurisdiction to be invalid or unenforceable, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions hereunder.

Section 6. All orders, resolutions, ordinances and parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed and this ordinance shall take effect and be in full force from and after its passage and approval.

Passed and approved this _____ day of _____, 2006.

**OCONEE COUNTY,
SOUTH CAROLINA**

By: _____
Chairman, Oconee County Council

ATTEST:

Clerk, Oconee County Council

First Reading: _____

Second Reading: _____

Public Hearing and
Third Reading: _____

OCONEE COUNTY
ORDINANCE 2006-05

AMENDMENT TO LOAN AGREEMENT RELATING TO \$77,000,000 OCONEE COUNTY, SOUTH CAROLINA POLLUTION CONTROL FACILITIES REVENUE REFUNDING BONDS, SERIES 1993 (DUKE POWER COMPANY PROJECT) (THE "BONDS") TO PROVIDE FOR GUARANTEE THEREOF.

WHEREAS, Oconee County, South Carolina (the "County"), acting by and through its County Council (the "County Council"), under and pursuant to the provisions of Title 48, Chapter 3 of the Code of Laws of South Carolina 1976, as amended (the "Act"), has previously issued its \$77,000,000 Pollution Control Facilities Revenue Refunding Bonds, Series 1993 (Duke Power Company Project) (the "Bonds"); and

WHEREAS, Duke Energy Corporation (d/b/a Duke Power Company) (the "Corporation") has requested that the County amend the Loan Agreement dated as of April 1, 1993 relating to the Bonds to, among other things, add a guarantee from Duke Energy Holding Corp. (the "Parent"); and

WHEREAS, the County Council has caused to be prepared and presented to this meeting the following document which the County proposes to execute and deliver: Amendment to Loan Agreement among the County, the Parent and the Corporation (the "Amendment");

WHEREAS, it appears that the instrument above referred to, which is now before this meeting, is in appropriate form and is an appropriate instrument to be executed and delivered by the County for the purposes intended.

NOW, THEREFORE, BE IT ORDAINED by Oconee County, South Carolina, as follows:

Section 1. In order to further the purposes of the Act by assisting the Corporation in the purposes contemplated by the Amendment, the Amendment is approved.

Section 2. Nothing in this Ordinance or the Amendment shall be construed to change the fact that the Bonds are limited obligations of the County, the principal and interest on which are payable solely out of the revenues derived from the Loan Agreement. The Bonds and the interest thereon shall never constitute an indebtedness of the County within the meaning of any state constitutional provision or statutory limitation and shall never constitute or give rise to a pecuniary liability of the County or a charge against its general credit or taxing powers.

Nothing in this Ordinance or the Amendment shall be construed as an obligation or commitment by the County to expend any of its funds other than (i) the proceeds of the Bonds, (ii) the revenues derived from the Loan Agreement, and (iii) any moneys arising out of the investment or reinvestment of said proceeds, revenues or moneys.

Section 3. The form, terms and provisions of the Amendment presented to this meeting and filed with the Clerk of the County Council be and they are hereby approved and all of the terms, provisions and conditions thereof are hereby incorporated herein by reference as if the Amendment were set out in this ordinance in its entirety. The Chairman and the Clerk of the County Council be and they are hereby authorized, empowered and directed to execute, acknowledge and deliver the Amendment in the name and on behalf of the County, and thereupon to cause the Amendment to be delivered to the Corporation. The Amendment is to be in substantially the form now before this meeting and hereby approved, or with such minor changes therein as shall be approved by the officials of the County executing the same, their execution thereof to constitute conclusive evidence of their approval of any and all changes or revisions therein from the form of the Amendment now before this meeting.

Section 4. The Chairman and the Clerk of the County Council, for and on behalf of the County, are hereby each authorized and directed to do any and all things necessary to effect the execution and delivery of the Amendment and the performance of all obligations of the County thereunder.

The Chairman and the Clerk of the County Council are each further authorized to execute and deliver such other documents and certificates necessary to effectuate the Amendment as contemplated in this ordinance.

Section 5. The provisions of this ordinance are hereby declared to be separable and if any section, phrase or provision shall for any reason be declared by a court of competent jurisdiction to be invalid or unenforceable, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions hereunder.

Section 6. All orders, resolutions, ordinances and parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed and this ordinance shall take effect and be in full force from and after its passage and approval.

Passed and approved this _____ day of _____, 2006.

**OCONEE COUNTY,
SOUTH CAROLINA**

By: _____
Chairman, Oconee County Council

ATTEST:

Clerk, Oconee County Council

First Reading: _____

Second Reading: _____

Public Hearing and
Third Reading: _____

AGENDA ITEM SUMMARY
OCONEE COUNTY, SC

COUNCIL MEETING DATE: 3/7/06
COUNCIL MEETING TIME: 3:00pm

ITEM TITLE OR DESCRIPTION:

Briefing by Oconee County Planning Department on methods of land use regulation and management.

BACKGROUND OR HISTORY:

Oconee County Council passed Resolution NO. 2006-08 requesting that Oconee County Planning Commission make a thorough, but timely recommendations concerning ordinances and land use regulations necessary to protect Lakes Joeassee, Keowee, and Hartwell.

SPECIAL CONSIDERATIONS OR CONCERNS:

Various methods of land use restrictions are available to Oconee County Planning Commission for recommending to County Council. Each land use restriction comes with its own costs and time constraints. County Council is encouraged to ask questions but must understand that some questions may require legal research before an answer can be provided.

STAFF RECOMMENDATION:

Recommend that County Council be given a "first impression" briefing by the Planning Department on the various land use options. This first portion of the briefing will present performance standards, to include setbacks, buffers, height restrictions, and green spaces. An explanation will be provided on implementation of the standards and the potential costs involved.

The second portion of the briefing will present zoning and the steps necessary for implementing zoning of any type or on any scale in Oconee County.

At the Tuesday workshop an estimate of costs for implementing zoning will be to provide to County Council. Additionally, a time line estimate will be presented to County Council.

FINANCIAL IMPACT:

NONE

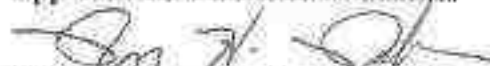
ATTACHMENTS:

NONE

Submitted or Prepared By:


Department Head/Elected Official

Approved for Submittal to Council:


Ron H. Rabun, County Administrator

Reviewed By/ Initials:

 N/A County Attorney N/A Finance N/A Other

C: Clerk to Council

ORDINANCE 2006-
AN ORDINANCE AMENDING ORDINANCE 2003-7, AN ORDINANCE
ESTABLISHING THE COUNCIL-ADMINISTRATOR FORM OF
GOVERNMENT

Article IX, Section 94, is hereby amended to read as follows.

9.4 Budget Ordinance

9.4.1 In order to approve the appropriate Ordinance for Oconee County upon third and final reading, there must be a minimum of four Council members present at the meeting and a minimum of three Council members must vote to approve the Ordinance. Unless previously approved in the annual appropriation Ordinance, any expenditure by the County in excess of ten thousand (\$10,000.00) dollars must be approved by County Council by a positive vote of a minimum of three Council members with a minimum of four Council members attending the meeting. Unless previously approved in the annual appropriation Ordinance, any expenditure by the County in an amount of ten thousand (\$10,000.00) dollars or less must be approved by County Council by a positive vote of a minimum of three Council members.

9.4.2 Any change in a line item in the annual appropriation Ordinance as approved by Council must include a written explanation for the line item change. The written explanation for the line item change shall be provided to Council prior to the meeting in which Council will vote for the line item change.

9.4.3

AGENDA ITEM SUMMARY
OCONEE COUNTY, SC
COUNTY MEETING DATE: 3/7/06
COUNCIL MEETING TIME: 3:00 pm

ITEM TITLE OR DESCRIPTION:

Discussion and continued work to develop a listing of projects Council will later refer to the Capital Projects Sales Tax Commission to consider when they complete a final listing of projects to be placed on a November 7, 2006 referendum.

BACKGROUND OR HISTORY:

There are many needs in the unincorporated areas of the County which could be funded through the seven (7) year one-cent sales tax, if it is approved by the voters of Oconee County. There are many pressing infrastructure needs that must be addressed to attract business and jobs to Oconee County, improve the tax base improve the quality of life for the citizens of the County. Some possible projects to address these needs include the following:

I. Approved at special meeting of 2/20/06:

A. Seneca Library Expansion (awaiting cost estimate from Trebel)	\$ _____
B. Phase I of I-85 sewer and water expansion	\$ 8,859,440 (net cost)
C. Phase II of I-85 sewer and water expansion	\$ 0,151,107
D. Airport sewer expansion	\$ 2,500,000
E. Civic Center and Recreation complex	\$ 4 - 8 million

II. Other Projects to be discussed

F. Jail expansion	\$ 6,500,000
G. Convenience center # 12 at Tamassee-Salem	\$ 330,000
H. Lunney House Renovation	\$ 100,000
I. DSS Building expansion (awaiting cost estimate from Trebel)	\$ _____

SPECIAL CONSIDERATIONS OR CONCERNS:

- It may be possible to fund one or two of these items through the regular FY 2006 budget process, however, our budget capacity and operational needs for next year are still unknown. And as you know, ad valorem tax funds cannot currently be used to fund sewer needs in Oconee County.
- The Capital Projects Sales Tax Commission has asked that everyone submit their project listing no later than April 15, 2006.

STAFF RECOMMENDATION FOR COUNCIL ACTION:

The items listed above all have merit, but the Council must set the highest priority of these projects.

FINANCIAL IMPACT:

If the referendum is adopted imposing the seven year, one-cent sales tax, the SC Board of Economic Advisors estimates Oconee County will receive approximately \$53,430,000 over a seven year period. (See attached analysis from SC Board of Economic Advisors)

ATTACHMENTS:

State analysis dated 1/26/06

Submitted or Prepared By:

Opal O. Green
Department Head

Approved for submittal to Council:


Ron H. Rabun, Council Administrator

Reviewed By/Initials:

____ n/a ____ : County Attorney

____ n/a ____ : Finance

____ n/a ____ : Other

**Estimated Distribution of An Additional One-Cent Sales Tax By County
Fiscal Year 2006-07**

	UNITS	GROSS SALES	NET TAXABLE SALES	ADDITIONAL ONE-CENT SALES TAX
ABBEVILLE	443	\$176,846,219.99	\$79,995,414.21	\$1,083,106.61
AIKEN	3,135	\$2,287,877,975.37	\$1,090,614,884.00	\$14,799,526.10
ALLENDALE	201	\$183,539,509.95	\$23,474,342.30	\$317,834.00
ANDERSON	4,131	\$3,668,167,678.77	\$1,766,643,714.24	\$23,922,416.80
BAMBERG	356	\$213,209,372.16	\$70,220,372.74	\$950,758.13
BARNWELL	537	\$270,247,536.20	\$141,666,852.94	\$1,916,117.44
BEAUFORT	4,340	\$3,414,526,483.20	\$2,341,823,824.76	\$31,707,436.27
BERKELEY	2,585	\$2,916,366,718.57	\$1,286,578,332.98	\$17,423,861.32
CALHOUN	316	\$172,450,203.16	\$44,659,086.09	\$604,679.66
CHARLESTON	9,793	\$10,581,928,033.70	\$5,734,826,018.26	\$77,644,736.04
CHEROKEE	1,148	\$690,081,647.36	\$404,109,524.80	\$5,472,307.34
CHESTER	674	\$626,509,223.20	\$145,821,857.01	\$1,987,914.17
CHESTERFIELD	692	\$670,811,696.32	\$211,160,816.59	\$2,859,028.52
CLARENDON	716	\$349,630,023.76	\$160,652,662.73	\$2,177,664.79
COLLETON	953	\$531,071,161.31	\$252,654,545.53	\$3,369,787.34
DARLINGTON	1,488	\$1,016,522,461.29	\$376,014,056.88	\$5,091,092.02
DILLON	899	\$682,524,832.98	\$176,562,195.36	\$2,417,686.73
DORCHESTER	1,824	\$1,404,172,114.41	\$569,313,346.27	\$7,660,933.61
EDGEFIELD	410	\$738,234,540.65	\$36,767,923.53	\$903,677.54
FAIRFIELD	483	\$287,566,755.00	\$99,189,478.04	\$1,342,989.21
FLORENCE	5,566	\$4,043,399,366.67	\$1,749,437,052.31	\$23,686,737.11
GEORGETOWN	1,707	\$1,205,794,040.74	\$613,632,024.44	\$8,308,552.87
GREENVILLE	10,718	\$11,305,278,140.48	\$5,692,859,731.66	\$77,080,518.87
GREENWOOD	1,500	\$1,388,789,864.84	\$707,111,052.87	\$9,514,024.68
HAMPTON	483	\$247,364,027.05	\$94,219,456.47	\$1,275,897.06
HORRY	6,911	\$7,367,279,000.57	\$5,220,787,929.46	\$70,667,556.49
JASPER	516	\$1,184,771,636.23	\$291,232,649.32	\$3,943,198.12
KERSHAW	1,312	\$1,131,760,678.37	\$373,087,520.00	\$5,051,197.59
LANCASTER	1,420	\$796,878,360.72	\$426,054,327.39	\$5,694,267.24
LAURENS	1,244	\$716,490,806.71	\$321,893,745.56	\$4,356,323.42
LEE	362	\$166,444,437.93	\$50,261,956.83	\$660,526.48
LEXINGTON	6,112	\$7,371,190,577.26	\$3,321,016,175.07	\$40,803,452.59
MCCORMICK	218	\$46,701,831.86	\$25,362,462.34	\$343,263.05
MARION	742	\$382,816,332.46	\$161,418,174.01	\$2,156,335.03
MARLBORO	552	\$430,769,275.91	\$112,661,322.84	\$1,523,903.69
NEWBERRY	853	\$678,294,266.42	\$253,216,135.66	\$3,428,453.74
OCONEE	1,691	\$1,066,300,875.22	\$675,894,049.24	\$7,797,405.34
ORANGEBURG	2,298	\$1,673,762,808.84	\$726,381,446.66	\$9,662,018.02
PICKENS	2,175	\$1,551,811,951.13	\$769,736,162.79	\$10,692,736.41
RICHLAND	6,001	\$9,201,008,521.32	\$5,316,650,063.58	\$71,685,494.66
SALUDA	341	\$106,386,462.53	\$53,588,273.95	\$725,585.60
SPARTANBURG	6,157	\$6,629,267,997.72	\$2,746,575,965.12	\$37,187,032.66
SUMTER	3,962	\$1,569,173,534.86	\$638,417,564.04	\$8,651,806.75
UNION	965	\$253,297,517.27	\$146,065,769.37	\$1,977,947.00
WILLIAMSBURG	744	\$480,693,833.43	\$182,662,262.81	\$2,473,044.74
YORK	4,010	\$3,674,037,663.63	\$1,820,260,662.47	\$24,937,736.62
TOTAL OF COUNTIES	103,646	\$95,895,536,771.81	\$47,268,634,547.22	\$640,000,000.00
UNALLOCATED TOTALS	11,559	\$17,863,257,724.13	\$4,398,716,836.46	
STATE TOTALS	115,105	\$113,658,774,495.94	\$52,176,345,356.67	

Notes: Calculations made by the Board of Economic Advisors based on November 10, 2005 BEA General Fund revenue estimate. Based on calendar year 2004 Gross and Net Taxable Sales figures (unaudited series).

Source: South Carolina Department of Revenue



Oconee County Sewer Commission

623 Return Church Road Seneca, South Carolina 29678
Phone: 864-972-3900 Fax: 864-972-3917

March 7, 2006

Mr. Ron Rabun
Oconee County Administrator
415 S. Pine Street
Walhalla, SC 29691

RE: Capital Projects List

Dear Mr. Rabun:

The Sewer Commission voted at the meeting last evening to request that Oconee County include the Martins Creek Drainage Basin/WestPoint Stevens Wastewater Treatment Facility on the list of Potential Projects for funding with the Capital Projects Sales Tax.

ARCADIS Engineering did a study of the Martins Creek Drainage Basin and WestPoint Stevens Wastewater Treatment Facility in June of 2005, which included probable costs for various alternatives for sewer service in the basin.

Alternative "A" included estimated cost figures for:

- | | |
|---|-------------|
| (1) Present worth or value of the WestPoint Stevens Wastewater Treatment Facility including 25 acres of land | \$3,741,000 |
| (2) Estimated costs to update the 30 year old Wastewater Treatment Facility to meet current standards and modifications for domestic wastes | \$8,460,000 |
| (3) Estimated costs for installation of a New Martins Creek Pump Station, gravity sewer and force main to transport waste from Martins Creek to the WestPoint Stevens Wastewater Treatment Facility | \$3,378,000 |

Total Estimated Costs: \$16,079,000

The above figures came from the report and might be adjusted based upon the progress of the current Martins Creek Interceptor Pump Station and Relief Sewer Project, which is being funded through SWAG.

The Commission is convinced that this project warrants consideration on the Capital Projects List.

If you need further information, please call.

Sincerely,

Robert C. Winchester
General Superintendent, OCSC

CC: Commissioners
County Council Members